COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

Oversight Board Training Manual

FOR APPOINTEES OF THE COUNTY OF LOS ANGELES

updated May 2, 2012

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

Document History

(updated May 2, 2012)

Version	Date	Section	Page	Revisions
1.00	3/30/12	All	All	Initial document.
1.01	4/11/12	Key Decisions	35	Clarify language on establishing Oversight Board rules & procedures.
1.01	4/11/12	Reviewing the ROPS	43	Clarify language regarding the validity of cooperation & financial agreements.
1.01	4/11/12	Expectations & Resources	50	Added additional contact information in the "Resources" section.
1.02	5/2/12	Document History	N/A	Created document history page.
1.02	5/2/12	Full Text of Abx1 26	Appendix 5	Added color-coded version of ABx1 26 with notes. This version highlights areas that are of particular importance to Oversight Board members.

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ABBREVIATIONS

AUP
Agreed Upon Audit Procedures

DOF
Department of Finance

EOPS
Enforceable Obligation Payment Schedule

RDA
Redevelopment Agency

ROPS
Recognized Obligations Payment Schedule

RPTTF
Redevelopment Property Tax Trust Fund

SCO
State Controller's Office

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INTRODUCTION

INTRODUCTION

Thank you for agreeing to serve on the Oversight Board for a Successor Agency of a redevelopment agency in the County of Los Angeles.

Oversight Boards play an integral role in the implementation of ABx1 26, the bill that dissolved redevelopment agencies (RDAs) and provides for the wind down of redevelopment activities.

This manual provides you with an overview of the legislation. It will explain how the state's redevelopment agencies have transferred their functions to other agencies and how those Successor Agencies will wind-down the former RDA's operations. It will also detail the role that Oversight Boards play in the process. The manual outlines what you should expect as an Oversight Board member and contains reference materials and links to information that will assist you moving forward.

OVERVIEW OF ABx1 26

OVERVIEW OF ABx1 26

Background

In his 2011-12 budget, Governor Jerry Brown proposed eliminating the state's RDAs to help address the state's ongoing budget deficit. In June 2011, the Legislature passed, and the Governor signed, two bills in response to his proposal:

1. **ABx1 26 prevented RDAs from engaging in new activities and dissolved the agencies** effective October 1, 2011. This legislation also outlined a process for winding down the RDAs' financial affairs, and set forth a mechanism to distribute any net funds from the RDAs to other local taxing agencies.

2. **ABx1 27 would have allowed RDAs to opt-in to an alternative redevelopment program to avoid dissolution.** The agencies would have had to agree to transfer annual payments to school and community college districts to continue their functions.

The California Redevelopment Association, the League of California Cities and other parties filed petitions with the California Supreme Court challenging both ABx1 26 and ABx1 27 on constitutional grounds. The Supreme Court imposed a partial stay on the implementation of the two pieces of legislation and reviewed the issues on an expedited basis.

On December 29, 2011, the California Supreme Court upheld the constitutionality of ABx1 26 and struck down ABx1 27 as unconstitutional. It also extended some of the deadlines and dates stipulated in ABx1 26 by four months because of the delay caused by the litigation. As a result of the Supreme Court's decision in *California Redevelopment Association v. Matosantos*, (an excerpt of which is attached as Appendix 6), California's approximately 400 RDAs were dissolved on February 1, 2012. The assets and liabilities (excluding housing assets[1]) of RDAs have now been transferred to Successor Agencies pursuant to ABx1 26. A separate Successor Housing Agency manages the RDA's housing assets.

Redevelopment & Tax Increment Financing

This overview of redevelopment and tax increment financing provides context for understanding the implications of ABx1 26.

The state Legislature authorized the formation of redevelopment agencies through approval of the Community Redevelopment Law (CRL). The CRL allowed local governments to form redevelopment agencies to "prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas."[2] After designating an area as "blighted," RDAs could acquire real property, dispose of the property by lease or sale, clear land, construct infrastructure necessary for building on project sites, and undertake improvements to public facilities in designated project areas.[3]

In 1952, California voters approved a constitutional amendment that allowed RDAs to use tax increment financing to fund their redevelopment plans. Tax increment financing allowed redevelopment agencies to capture increased property tax revenue in their project areas to fund their activities.[4]

Once a project area was designated and a redevelopment plan was adopted, a base year was set for property tax revenues. All of the other taxing entities in the project area (e.g., school districts, county governments, flood control districts, library districts, etc.) had their property tax revenue frozen at this base year level. Any increased tax revenue above the base year level went to the redevelopment agency until the redevelopment project ended.

Redevelopment & Tax Increment Financing (cont.)

To illustrate this point, let's say the total property tax revenue in a project area was $100,000 during the base year. If that revenue grows to $110,000 in the next year, then the redevelopment agency would be entitled to $10,000, or the tax increment. The other taxing agencies in the project area would receive the same proportion of the initial $100,000 that they received in the previous year.

Over time, this meant that property tax revenue going to many local jurisdictions stayed frozen while the amount of tax increment collected by RDAs grew. The redevelopment agencies were entitled to receive the additional revenue for the life of the redevelopment project – which typically lasted for decades.

The RDAs used tax increment revenue to issue bonds that financed their redevelopment activities. The tax increment and bond proceeds generally could only be spent within the boundaries of the project area (with very limited exceptions for affordable housing and public works). Neither the establishment of a redevelopment project area, nor the issuance of bonds required approval of the other taxing entities.

Over the years, RDAs issued billions of dollars in debt and entered into numerous agreements and contracts to carry out redevelopment activities. ABx1 26 attempts to honor those debt obligations and other legally enforceable contracts.[5] But the bill stopped RDAs from pursuing any new activities that might continue to divert tax increment dollars away from other local taxing entities.

Housing

In 1976, the Legislature directed redevelopment agencies to set aside 20% of the tax increment collected in a project area to be used by the agency to increase, improve, and preserve the community's supply of affordable housing. It required that funding be used predominantly within the project area. This 20% set-aside was held in a Low and Moderate Income Housing Fund.

Under ABx1 26, the former RDA's housing functions and most of its housing assets were transferred to a "successor housing agency," separate from the RDA successor agencies. Housing assets that transfer to the successor housing agency include property, rental payments, bond proceeds, lines of credit, certain loan repayments, and other housing-related revenue sources. The unencumbered balance in the former RDA's Low and Moderate Income Housing Fund, however, does not transfer to the successor housing agency. ABx1 26 directs the county auditor-controller to distribute the unencumbered balance in the housing fund as property tax proceeds to the affected local taxing entities. However, there are efforts under consideration by the Legislature to transfer the Low and Moderate Income Housing Funds to the successor housing agency and thus preserve these funds for affordable housing development.

The Oversight Board does not have oversight over a city or successor housing agency that takes on a former RDA's housing assets. However, the Oversight Board does have oversight of any housing bonds and related debt service listed on the Recognized Obligation Payment Schedule (ROPS) prepared by the RDA successor agency. (See pg. 10 for an explanation of the ROPS).

Pass-Throughs

While tax increment finance was a boon to redevelopment agencies, it had the potential to limit the amount of property tax revenues distributed to other taxing agencies in RDA project areas. Because of this, the Legislature allowed local taxing entities to receive a share of the tax increment. Many RDAs made payments "to local agencies to partly offset these agencies' property tax losses associated with redevelopment."[6] The transfer of funds was called a "pass-through payment" because they "passed-through" the RDA before going to the taxing entity.

Before 1994, RDAs were allowed to negotiate with local jurisdictions to determine the amount of tax increment that local taxing agencies would receive. These agreements "sometimes were negotiated as part of a settlement of a dispute over the legality of a proposed project area."[7] In some cases, RDAs agreed to negotiate up to "100 percent pass-through payments to the county and special districts, meaning that these agencies received their entire share of the property tax in pass-through payments."[8] Most school districts had less incentive to negotiate pass-through agreements since, under state law, "the state reimbursed them for any lost property tax revenue."[9] However, the reimbursement costs paid by the state "grew rapidly to hundreds of millions of dollars per year."[10]

Assembly Bill 1290 "replaced negotiated agreements with a schedule of payments,"[11] meaning that RDAs could no longer craft special pass-through agreements with local agencies. Previously negotiated pass-through agreements were still enforced[12], but AB 1290 prohibited the creation of new agreements. Instead, they had to follow an established formula that delineated pass-through payment amounts for each local taxing jurisdiction. These payments were distributed to all local agencies based on each jurisdiction's pre-determined proportionate share.[13]

The pass-through payments are relevant to the RDA dissolution process because different interpretations of ABx1 26 can affect whether a taxing entity will continue to receive the same amount of pass-through payments as it did prior to ABx1 26's enactment.

THE DISSOLUTION PROCESS

THE DISSOLUTION PROCESS

This section provides an overview of the RDA dissolution process set forth in ABx1 26.

Four Key Elements

The dissolution process contains four key elements that provide a framework for winding-down the redevelopment agencies:

1. Local Management and Oversight[14]

In most cases, the county or city that created the redevelopment agency is managing its dissolution as its Successor Agency. An Oversight Board, of which you are a member, is comprised of representatives from the affected local taxing agencies. The Oversight Board's role is to supervise the Successor Agency's work.

2. List of Future Redevelopment Expenditures[15]

Local oversight boards and government entities are tasked with developing and reviewing lists of future redevelopment expenditures, or "enforceable obligations." These obligations include payments for redevelopment bonds and loans, but typically exclude payments for projects not currently under contract. A Successor Agency to a former RDA may pay only those financial obligations included on these lists.

3. Local Distribution of Funds[16]

Funds that formerly would have been distributed to the RDA as tax increment are deposited into a redevelopment trust fund, known as the Redevelopment Property Tax Trust Fund (RPTTF). This fund is used to pay obligations listed on the Enforceable Obligation Payment Schedule (EOPS) and the Recognized Obligation Payment Schedule (ROPS). The EOPS is the initial list of obligations developed prior to the dissolution of the RDAs. The ROPS is a semi-annual list of obligations that determines how a Successor Agency can spend its revenues. You will be reviewing the ROPS as an Oversight Board member. After the enforceable obligations have been paid, any remaining monies in the RPTTF are distributed to the local taxing entities in the project area.

4. State Review[17]

Actions of local Oversight Boards are subject to review by the Department of Finance (DOF). Actions by the county auditor-controller are subject to review by the State Controller's Office (SCO). The SCO also reviews redevelopment asset transfers completed during the first half of 2011 to determine whether any of them were improper and should be reversed.

What is an Enforceable Obligation?

"Enforceable obligation" means any of the following:

1. **Bonds, including the required debt service, reserve set-asides and any other payments required under the indenture** or similar documents governing the issuance of the outstanding bonds of the redevelopment agency.[18]

2. **Loans of moneys borrowed by the redevelopment agency for a lawful purpose**, including moneys borrowed from the Low and Moderate Income Housing Fund.[19]

3. **Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law**, other than pass-through payments that are made by the county auditor-controller, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, and unemployment payments.[20]

4. **Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency**. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.[21]

5. **Any legally binding and enforceable agreement or contract that is not otherwise void** as violating the debt limit or public policy.[22]

6. **Contracts or agreements necessary for the continued administration or operation of the redevelopment agency** to the extent permitted by this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses and for carrying insurance.[23]

7. **Amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund of a redevelopment agency, which had been deferred.** Provided, however, that the repayment schedule is approved by the Oversight Board.[24]

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KEY PLAYERS

Successor Agencies

Successor Agencies came into effect on February 1, 2012, the day that all redevelopment agencies in the State of California were dissolved.

Generally – unless it voted not to – each city or county that created an RDA became its Successor Agency on February 1, 2012. In Los Angeles County, only the City of Los Angeles decided not to become a successor agency. When the local agency, in this case, the City of Los Angeles, declined that role, and no other local agency in the county agreed to serve as their successor agency, the Governor then appointed county residents to serve on a three–member governing board as the "designated local authority." The authority will serve as the Successor Agency until a local agency elects to serve in this capacity.[25]

The Successor Agency is overseen by an Oversight Board that reviews and approves the ROPS and other actions of the Successor Agency.

There are 71 Successor Agencies in the County of Los Angeles, all of which must have an Oversight Board.

Successor Agencies (cont.)

Subject to the approval of the Oversight Board, ABx1 26 specifies that Successor Agencies may spend $250,000, or up to 5 percent of the amounts allocated to the Successor Agency for administrative expenses in fiscal year 2011–12. In future years, they may spend $250,000, or up to 3 percent of former tax increment revenues. The County Auditor–Controller may reduce these amounts, however, if there are insufficient funds to pay enforceable obligations and the administrative costs of the County Auditor–Controller and State Controller.

In some cases, Successor Agencies can charge specific project administration costs to unencumbered bond proceeds instead of drawing from the general administrative budget.[26] However, the Successor Agency cannot use funds that must be deposited into the former RDA's Redevelopment Property Tax Trust Fund (RPTTF) to cover these project-related costs. Any request to charge project administration costs to bond proceeds requires Oversight Board approval.

Successor Agencies (cont.)

The Successor Agency manages redevelopment projects currently underway, makes payments identified on the EOPS (and later, the ROPS), and disposes of redevelopment assets and properties as directed by the Oversight Board.[27] A separate agency manages the former RDA's housing assets.[28] The Successor Agency's liability for any legal claims is limited to the funds and assets it receives to perform its functions.

The Successor Agency is responsible for drafting a ROPS by March 1, 2012.[29] They must transmit it to the County Auditor-Controller's Office and the California Department of Finance by April 15, 2012 (see RDA dissolution timeline on page 22).[30] The ROPS will delineate the enforceable obligations payable through June 30, 2012 and their source of payment, and then will be updated and submitted for approval every six months thereafter.

Chapter 3 "Successor Agencies" of ABx1 26 contains two sections, Sections 34177 and 34178, which provide details about the duties and deadlines of successor agencies. The chapter provides clarifications on the validity and invalidity of certain types of agreements, contracts and arrangements between the former RDA and the city or county that created it.

Oversight Boards

The actions of the Oversight Board are overseen by the Department of Finance (DOF). Actions of an oversight board do not go into effect for three business days. During this time, DOF may request a review of any of the Oversight Board's actions. The DOF, in turn, has ten days to approve the Oversight Board's action(s) or return it to the Oversight Board for reconsideration.[31]

Department of Finance

The Department of Finance (DOF) and the State Controller's Office (SCO) have overlapping responsibilities. The DOF has the authority to review EOPS and ROPS. The Department plays an oversight role regarding the actions of the Oversight Board. The DOF may request a review of the Oversight Board's action within three days. It then has ten days to approve the action or return it for reconsideration.

County Auditor-Controller

The Auditor-Controller administers the RDA's tax trust fund and distributes funds to local governments. This office also certifies draft ROPS and establishes Agreed Upon Audit Procedures (AUP) for the former RDA.[32]

State Controller's Office

The State Controller's Office (SCO) is responsible for recouping redevelopment assets that were improperly transferred in the first half of 2011. For example, the State Controller could "order the return of land or buildings transferred from RDA ownership to city ownership." The SCO also plays an oversight role regarding the activities of the County Auditor-Control. The SCO may request a review of the Auditor-Controller's action within three days. It then has ten days to approve the action or return it for reconsideration.[33]

RDA Dissolution Organizational Structure

DEPT. OF FINANCE

— May review Successor Agency Actions related to EOPS and ROPS, as needed

OVERSIGHT BOARD

— Reviews & approves ROPS
— Approves Successor Agency administrative budget
— Shall direct the Successor Agency to dispose of assets and properties of the former RDA or transfer them to a local government
— May direct the Successor Agency to terminate existing agreements that do not qualify as enforceable obligations

SUCCESSOR AGENCY

— Unless it voted not to, each city or county that created the redevelopment agency becomes the successor agency
— Makes payments, manages projects and disposes of non-housing assets
— Develops Recognized Obligation Payment Schedule (ROPS) that are approved by the oversight board & certified by the County Auditor-Controller

Redevelopment Agency

(dissolved on February 1, 2012)

— Prepares Enforceable Obligation Payment Schedule (EOPS) and a preliminary draft of the initial Recognized Obligations Payment Schedule (ROPS), delineating what payments must be made.

STATE CONTROLLER'S OFFICE

— Oversees Auditor-Controller

COUNTY AUDITOR-CONTROLLER

— Administers the RDA/ Successor Agency's tax trust fund & distributes funds to local governments
— Completes the Agreed Upon Audit Procedures (AUP) Engagement
— Certifies draft ROPS

MAIN STEPS & TIMELINE

MAIN STEPS & TIMELINE

To prepare for your role as an Oversight Board member it is important to understand where you fit in the overall dissolution process. The main steps in the RDA dissolution process are:

1. RDAs prepare to be dissolved.

The dissolution process began the moment that ABx1 26 was signed into law in June 2011. It imposed an immediate freeze on RDAs' authority to incur new debt, make new loans or grants, enter into new or amend existing contracts, acquire or dispose of assets, and alter redevelopment plans.[34] The goal was to prevent RDAs from entering into any new obligations that might further divert property tax revenue from the taxing entities.

In addition, RDAs were directed to prepare an EOPS delineating the payments they were obligated to make through December 31, 2011. The RDAs were permitted to pay only the financial obligations listed on the EOPS during the period between the enactment of ABx1 26 and the date the RDAs were dissolved. The RDAs were required to post these EOPS on their website and send copies to the state Department of Finance, the State Controller's Office and the Auditor-Controller of its county. This was the first step in attempting to gain an understanding of the amount of outstanding obligations that would need to be paid before funds could be transferred to the taxing entities.

2. RDAs dissolve and their assets and liabilities are transferred to Successor Agencies.

As a result of the California Supreme Court's *Matosantos* decision, all RDAs were dissolved on February 1, 2012. Upon dissolution of the RDAs, Successor Agencies were created to receive the assets and liabilities of the former RDAs. The Successor Agency manages redevelopment projects that are currently underway, makes payments listed on the EOPS (and later, only those listed on the ROPS), and disposes of redevelopment assets and properties as directed by the Oversight Boards. Only obligations listed on the EOPS can be paid until the ROPS is approved.

3. Successor Agencies prepare the first Recognized Obligations Payment Schedule (ROPS).

The Successor Agency is responsible for drafting an initial ROPS that lists the enforceable obligations that must be paid through June 30, 2012, and the source of funds for the payment. The draft ROPS was to be completed by March 1, 2012 and a final ROPS should be submitted to the State Controller's Office and the Department of Finance on April 15, 2012. The ROPS is not deemed valid until it has been certified by an independent external auditor, approved by the Oversight Board, provided to the County Auditor-Controller, the state Department of Finance, the State Controller's Office and posted on the Successor Agency's website.

4. Oversight Boards are formed and review the ROPS.

The various appointing authorities must submit the names of their appointments to the Oversight Boards for each Successor Agency to the Department of Finance by May 1, 2012. Certain actions of the Successor Agency require Oversight Board approval. The Oversight Board is required to direct the Successor Agency to take certain actions to wind down the affairs of the former RDA. In turn, the state Department of Finance may review the actions of the Oversight Board.

The Oversight Board is also responsible for approving the ROPS. Under the implementation schedule ordered by the California Supreme Court, the deadline for submitting the first approved ROPS to the Department of Finance is April 15, 2012. Therefore, the Oversight Board should consider the first ROPS as soon as possible after a quorum of members has been appointed. This first ROPS lists the enforceable obligations spanning February 1, 2012 to June 30, 2012. The ROPS supersedes the EOPS upon approval. Starting on May 1, 2012, a Successor Agency may only pay obligations listed on the approved ROPS.

Because of the implementation delays caused by the litigation over the RDA dissolution legislation, shortly after approving the first ROPS, the Oversight Board will be asked to consider a second ROPS. This ROPS will cover enforceable obligations coming due during the period spanning July 1, 2012 to December 31, 2012. The County Auditor-Controller has requested that Successor Agencies submit this second ROPS to the Auditor-Controller and Oversight Boards by April 15, 2012. The Auditor-Controller has also requested that Oversight Boards complete their review and submit the second ROPS to their office and the Department of Finance by April 27,2012. Adhering to this timeline is critical in order for the Auditor-Controller to distribute property tax funds to the Successor Agencies by June 1, 2012, as mandated by the legislation.

5. The County Auditor-Controller administers the Redevelopment Property Tax Trust Fund, audits the former RDA, and certifies the first ROPS.

A Redevelopment Property Tax Trust Fund (RPTTF) was created upon dissolution of each RDA. Money that the former RDA would have received as tax increment is deposited into the RPTTF. The Fund is used to service the former RDA's debt obligations, make payments to taxing entities under existing "pass-through agreements", pay enforceable obligations, and pay administrative costs. The County Auditor-Controller administers the RPTTF and distributes any remaining monies to local taxing entities.

The Auditor-Controller is also responsible for completing an Agreed Upon Audit Procedures (AUP) Engagement of the former RDA. The engagement will require the Auditor-Control to compile a list of the RDA's assets and liabilities and certify the ROPS. The AUP report and certification of the ROPS must be completed by July 1, 2012, with a report submitted to the State Controller's Office by July 15, 2012.[35]

Note that the sequencing of the Auditor-Controller's AUP report of the former RDA and certification of the ROPS is out of step with the timing for Oversight Board approval of the ROPS. The AUP report and certification of the ROPS is not likely to be completed before the Oversight Board begins to review the first or second ROPS. Therefore, the Oversight Board may be reviewing the ROPS without the benefit of the Auditor-Controller's report or certification.

6. Ongoing wind-down of RDA activities, disposition of assets.

After the initial ROPS is approved, the Successor Agencies will prepare and the Oversight Boards will review subsequent forward-looking ROPS that will list the obligations for the next six month period.

The Auditor-Controller will make semi-annual distributions to the Successor Agencies based on the ROPS approved by the Oversight Boards and the Department of Finance. On June 1 of every year, the Auditor-Controller will distribute funds to Successor Agencies to cover the ROPS from July 1 to December 31 of that year. Every January 16, the Auditor-Controller will distribute funds to Successor Agencies to cover the ROPS from January 1 to June 30 of that year.

The Successor Agencies will continue to prepare enforceable obligations, wind-down the activities of the former RDA, and dispose of the former RDAs assets at the direction of the Oversight Board.

7. Ongoing review by Oversight Board and the Department of Finance.

The Oversight Boards will continue to review certain actions of the Successor Agencies, approve semi-annual ROPS, and direct the Successor Agencies in the disposition of the former RDAs assets. The Oversight Board's actions will continue to be subject to review by the Department of Finance. Ultimately, on July 1, 2016, all the Oversight Boards in a given county are to be consolidated into one county-wide Oversight Board.[36] In the case of Los Angeles County, 71 separate Oversight Boards will be consolidated into one.

RDA Dissolution Timeline

The California Supreme Court's decision in the *Matosantos* case on December 29, 2011, shifted many of the deadlines contained in ABX1 26 to account for the delay in implementation caused by the litigation. In general, the key dates in the statute were pushed back by four months. The timeline below lists the key dates in the dissolution timeline.

JUN 28 2011	Governor Brown signed ABx1 26 (i.e., the Redevelopment Agency Dissolution Law) and ABx1 27, which creates an alternative voluntary redevelopment program.
JUL 18 2011	The California Redevelopment Association filed a suit against the California Department of Finance challenging ABx1 26 & ABx1 27, suspending the dissolution of RDAs until a Supreme Court decision is made.
AUG 11 2011	The courts grant a partial stay of ABx1 26 and ABx1 27.
DEC 29 2011	The California Supreme Court upheld the constitutionality of ABx1 26 and struck down ABx1 27 as unconstitutional. The Court pushed back the deadlines in ABx1 26 that occurred before May 1, 2012 by four months.
FEB 1 2012	RDAs were dissolved, transferring their assets to a Successor Agency. Successor Agencies began operations and started to review Enforceable Obligation Payment Schedules (EOPS).
MAR 1 2012	Successor Agencies prepared a draft of the initial Recognized Obligation Payment Schedule (ROPS) for the enforceable obligations of the former redevelopment agency.
APR 15 2012	The Oversight Board transmits the approved initial ROPS to the Department of Finance and State Controller's Office. The Oversight Board should immediately consider the second ROPS that details payments from July to December of 2012.
APR 27 2012	Deadline for Oversight Board to review and transmit second ROPS (covering July 1, 2012 to December 31, 2012) to the County Auditor-Controller and the Department of Finance.
MAY 1 2012	▪ Successor Agency pays only those obligations listed in the ROPS. ▪ Selection of Oversight Board members is completed. The names of Oversight Board members must be submitted to the Department of Finance.
MAY 15 2012	Governor Brown appoints Oversight Board members if the position has not been filled by this date or if a position has been vacant for more than 60 days.

MAIN STEPS & TIMELINE

RDA Dissolution Timeline

JUN 1 2012	County Auditor-Controller distributes funds to Successor Agencies to pay for approved obligations from July 1, 2012 through December 31, 2012.
JUL 1 2012	County Auditor-Controller completes the Agreed Upon Audit Procedures (AUP) Engagement.
JUL 15 2012	County Auditor-Controller reports to the State Controller's Office after completing the Agreed Upon Audit Procedures (AUP) Engagement.
OCT 1 2012	Approved ROPS must be submitted to the Department of Finance and the State Controller's Office so that County Auditor-Controller can distribute funds no later than January 16, 2013.
APR 1 2013	Approved ROPS must be submitted to the Department of Finance and the State Controller's Office so that County Auditor-Controller can distribute funds no later than June 1, 2013.
OCT 1 2013	Approved ROPS must be submitted to the Department of Finance and the State Controller's Office so that County Auditor-Controller can distribute funds no later than January 16, 2014.
APR 1 2014	Approved ROPS must be submitted to the Department of Finance and the State Controller's Office so that County Auditor-Controller can distribute funds no later than June 1, 2014.
OCT 1 2014	Approved ROPS must be submitted to the Department of Finance and the State Controller's Office so that County Auditor-Controller can distribute funds no later than January 16, 2015.
APR 1 2015	Approved ROPS must be submitted to the Department of Finance and the State Controller's Office so that County Auditor-Controller can distribute funds no later than June 1, 2015.
OCT 1 2015	Approved ROPS must be submitted to the Department of Finance and the State Controller's Office so that County Auditor-Controller can distribute funds no later than January 16, 2015.
APR 1 2016	Approved ROPS must be submitted to the Department of Finance and the State Controller's Office so that County Auditor-Controller can distribute funds no later than June 1, 2016.
JUL 1 2016	All Oversight Boards are consolidated into one county-wide Oversight Board.

OVERSIGHT BOARD

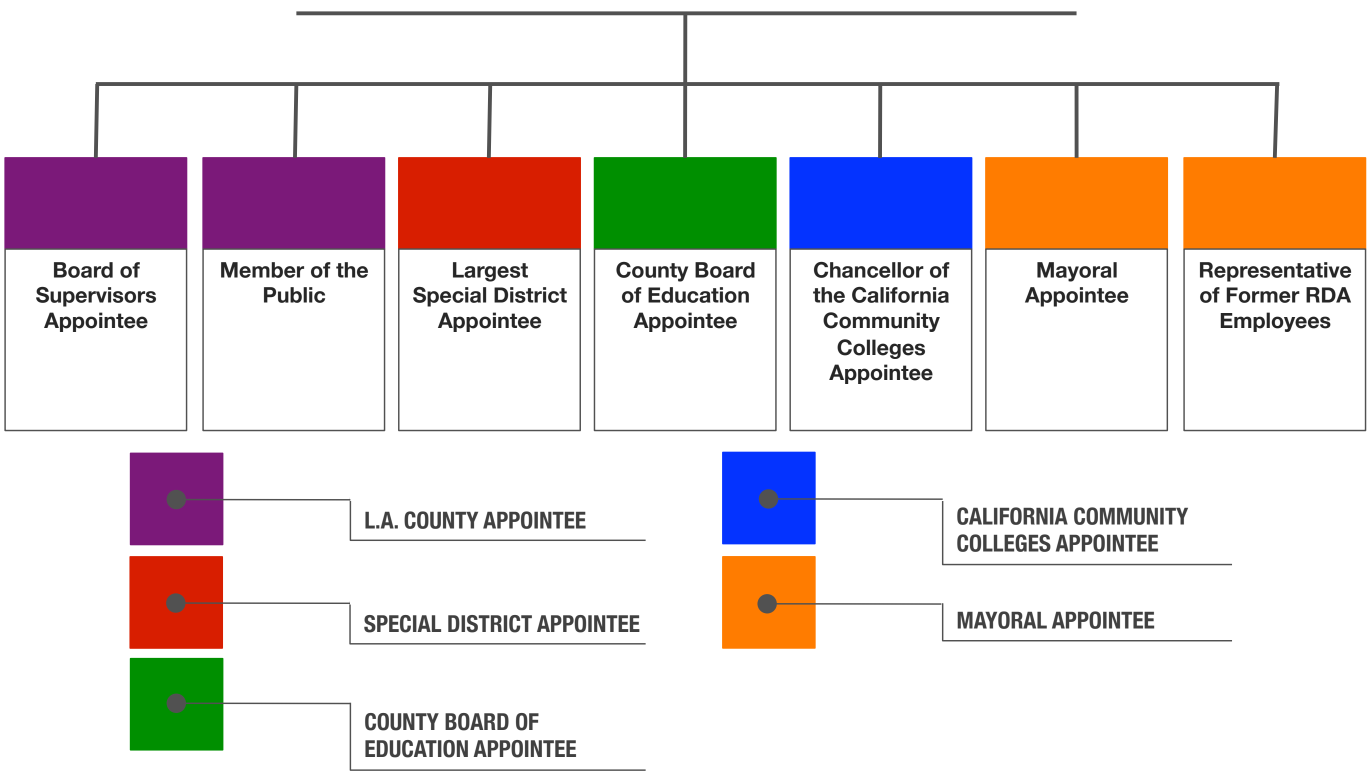
Composition, Quorum, Personal Immunity and Governance

ABx1 26 requires that each Successor Agency must have an Oversight Board that consists of seven members. The Board must elect one of its members as the chairperson.

The board members are appointed by and represent the following entities[37]:

1. One member appointed by the Los Angeles County Board of Supervisors
2. One member of the public appointed by the Los Angeles County Board of Supervisors
3. One member appointed by the Mayor for the city that had sponsored the dissolved RDA
4. One member appointed by the Mayor representing the employees of the former RDA
5. One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former RDA
6. One member appointed by the Los Angeles County Board of Education
7. One member appointed by the Chancellor of the California Community Colleges

OVERSIGHT BOARD MEMBERS



A majority of the total membership of the Oversight Board constitutes a quorum; a quorum is required for the Oversight Board to take action.[38]

Oversight Board members cannot be compensated or reimbursed for their expenses. However, Oversight Board members have personal immunity from suit for their actions taken within the scope of their responsibilities as Oversight Board members.[39]

The Oversight Board is subject to the requirements of the Brown Act (open meeting law), the Public Records Act, and the Political Reform Act. Attached to this manual as a technical appendix is an overview of the Brown Act prepared by the County Counsel's office. You may receive formal training from the County Counsel's office (or the City Attorney's office of the Successor Agency city) prior to your first Oversight Board meeting.

All notices required by law for proposed actions by the Oversight Board must be posted on the Successor Agency's Internet web site or the Oversight Board's Internet web site.[40]

Each Oversight Board member serves at the pleasure of the entity that appointed her or him. Any individual may simultaneously be appointed to up to five Oversight Boards.[41] The Governor may appoint individuals to fill any Oversight Board position not filled by May 15, 2012 or if a position is vacant for more than 60 days.

Role and Responsibilities

Fiduciary Duty

The Oversight Board has a fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from the distribution of property tax and other revenue as a result of the dissolution of the RDAs.[42] This requires a balance that mirrors the goals of ABX1 26 to honor the enforceable obligations of the former RDAs that must be paid and to return the remaining revenue to the taxing entities.

Overseeing and Directing the Successor Agency

ABX1 26 contains two key sections that delineate the role and responsibilities of the Oversight Board. Section 34180 lists the actions of the Successor Agency that require Oversight Board approval, while Section 34181 lists the actions that the Oversight Board must direct the successor agency to do. The specific provisions are included on the following pages.

A review of these provisions underscores the Oversight Board's crucial role in scrutinizing the Successor Agency's actions and its determination of which obligations are enforceable and, of those, which must be paid out of the Redevelopment Property Tax Trust Fund. Every obligation that is deemed enforceable reduces the amount of revenue remaining in the Trust Fund for distribution to the taxing entities. Finally, the Oversight Board plays a crucial role directing how the assets of the former RDAs – for example, holdings of real property – will be disposed of in order to distribute the proceeds to the taxing entities.

Section 34180

Section 34180 states that the following Successor Agency actions shall first be approved by the Oversight Board:

a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to June 28, 2011.

b) Refunding of outstanding bonds or other debt of the former RDA by successor agencies in order to provide for savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated.

c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

d) The merging of redevelopment project areas.

e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the Successor Agency, in an amount greater than 5 percent.

f) If a city wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax for the value of the retained property.

g) Establishment of the Recognized Obligation Payment Schedule (ROPS).

h) A request by a Successor Agency to enter into an agreement with the city that formed the RDA that it is succeeding.

i) A request by a Successor Agency or taxing entity to pledge or enter into an agreement for the pledge of property tax revenues.

Section 34181

Section 34181 requires the Oversight Board to direct the Successor Agency to do all of the following:

a) Dispose of all assets and properties of the former RDA that were funded by tax increment revenues of the dissolved RDA expeditiously and in a manner aimed at maximizing the value.

   However, in some cases the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets that were constructed and used for a governmental purpose (e.g. roads, schools, parks) to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the Successor Agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset.

b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

c) Transfer housing responsibilities and all rights, powers, duties, and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the city that sponsored the RDA, the Housing Authority located in the city or to state Housing and Community Development Department as appropriate under a different provision of ABX1 26.

d) Terminate any agreement, between the dissolved RDA and any public entity located in the same county, obligating the RDA to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity, in any instance where the Oversight Board has found that early termination would be in the best interests of the taxing entities.

e) Determine whether any contracts, agreements, or other arrangements between the dissolved RDA and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the Oversight Board for its approval. The Oversight Board may approve any amendments to or early termination of such agreements where it finds that amendments or early termination would be in the best interests of the taxing entities.

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KEY DECISIONS

KEY DECISIONS

As a member of the Oversight Board you will be reviewing contracts, agreements, financial documents and lists of enforceable obligations. You will be asked to consider whether and how to unwind transactions and how to dispose of property in order to maximize the return to the taxing entities.

The following framework outlines the order in which the Oversight Board should consider the most significant decisions or actions.

1. Elect a chairperson

Each Oversight Board must have a chairperson to facilitate proper functioning of the board, full participation during meetings, discussion of relevant matters, and effective decision making and implementation. The chairperson will be responsible for planning meetings, coordinating with board members to ensure that appropriate policies and procedures are in place for effective management of the board, and may be called upon to be the spokesperson for the board at functions or meetings. The names of all Oversight Board members and the Chairperson of the Oversight Board must be reported to the Department of Finance by May 1, 2012.

2. Designate a point of contact for the Department of Finance

Each Oversight Board must designate a point of contact for the Department of Finance (DOF) so that the DOF can effectively communicate with the Board and fulfill the state agency's oversight duties. The DOF has requested the contact's name, email, and phone number.

The information can be emailed to redevelopment_administration@dof.ca.gov or you may call 916-445-1546.

3. Establish Oversight Board rules and procedures

Establishing the rules and procedures and the methods by which the Oversight Boards will operate is a top priority. The Oversight Board should put policies in place to govern the following:

- Set meeting times and dates.
- Determine who will staff the Oversight Board. The LA County Executive Office has offered to post meeting agendas and minutes, and lend other support free of charge.
- As needed, appointment of legal counsel independent of the Successor Agency.
- Provide direction to the Successor Agency as to the types of support and documentation the Oversight Board will require to consider matters presented to it. For example, the Oversight Board may wish to require the Successor Agency to use a standard template staff report for each item. In addition, the Oversight Board may wish to indicate the types of documentation it will require to review and evaluate certain types of obligations listed on the ROPS. See the "Reviewing the ROPS" section of this manual for suggestions on the types of documentation to require.
- The Oversight Board should direct the Successor Agency to submit its ROPS using the standard template attached in Appendix 2. This template is based on a sample template posted on the DOF website.

4. Direct Successor Agencies to report on the sufficiency of cash flow

Before considering the Recognized Obligation Payment Schedule (ROPS) submitted by the Successor Agency, the Oversight Board may wish to direct the Successor Agency to submit a report that documents the Agency's predicted cash flow for the six-month period covered by the ROPS. The Successor Agency should, in effect, present a budget to the Oversight Board that provides context for the decisions. The agency should highlight any potential funding shortfalls.

This will allow the Oversight Board to quickly assess whether or not the Successor Agency has sufficient cash flow to meet each of the obligations listed on the ROPS.

5. Review and Approve Recognized Obligation Payment Schedules (ROPS)

The appointees should consider the review, analysis and consideration of the ROPS their highest priority task after electing a chairperson, designating a point of contact for the DOF, and establishing rules and procedures.

The ROPS lists all enforceable obligations claimed by the Successor Agency. In many cases, the list will not provide sufficient detail for the Oversight Board to determine whether or not an item is "enforceable." As such, the Board may find it necessary for the Successor Agency to submit staff reports that explain each claimed enforceable obligation on the ROPS. The reports do not need to be lengthy, but they should explain the background for the obligation and the source(s) of funding. The reports should also include attachments that substantiate the item's status as an "enforceable obligation."

The Oversight Board should strive to approve the first ROPS in time to submit it to the Department of Finance by April 15, 2012. The delay in the implementation schedule caused by the *Matosantos* litigation means that by the time the Oversight Board is appointed and functioning, most of the time period covered by the first ROPS (February 1, 2012 to June 30, 2012) will have elapsed. This means that the Oversight Board will effectively be providing a meaningful review of only those expenditures scheduled for May and June of 2012 in the first ROPS.

Shortly after reviewing the first ROPS, the Oversight Board should turn its attention to reviewing the ROPS covering the period from July 1, 2012 to December 31, 2012. The Auditor-Controller has requested that the Oversight Board complete their review and submit all approved ROPS to the Auditor-Controller and the Department of Finance by April 27, 2012.

6. Approve Successor Agency administrative budget

Appointees should carefully scrutinize the Successor Agency budget to ensure that the 5% allowable funding cap for FY 2011-2012 is used efficiently and includes the cost of supporting the activities of the Oversight Board. Note that the annual allowable funding cap is reduced to 3% after July 1, 2012.

7. Terminate or approve cooperation agreements between RDAs and sponsoring entities

Most of the Cooperation Agreements between former RDAs and their sponsoring cities will likely be invalid under ABx1 26. Oversight Boards should review these Cooperation Agreements during the early months of their deliberations in order to eliminate potentially large expenditures by the Successor Agencies.

8. Terminate all agreements that do not qualify as enforceable obligations, and ensure the cessation of all work related to said agreements

As the list of enforceable obligations is narrowed by a careful review of the ROPS, it is essential that the Oversight Board ensure that the Successor Agency is in fact terminating all agreements that are not enforceable obligations and that the Agency is not incurring additional liability in connection with such agreements. The Oversight Board may request periodic notifications of agreement terminations.

9. Terminate or renegotiate agreements with private parties

The Oversight Board should scrutinize existing enforceable agreements with private parties to determine whether a renegotiation or early termination of such agreements might benefit the taxing entities.

10. Dispose of assets

The Oversight Boards should develop a strategy, in consultation with real estate and transactional experts, to dispose of the former RDA's assets in a manner that maximizes the value for the taxing entities. At a minimum, the Oversight Boards should ensure that the revenues generated from existing assets are maximized, collected, and secured for purposes of paying enforceable obligations, if necessary. Then, if funds remain, they must be returned to the taxing entities.

REVIEWING THE ROPS

REVIEWING THE ROPS

Because review and consideration of the ROPS is one of the most important early responsibilities of the Oversight Boards, the classification and prioritization system outlined below will assist you in your review.

The obligations listed on the ROPS should be considered in the following priority (from highest priority to lowest):

1. Bonds
2. Loans or moneys borrowed by the agency
3. Cooperation and financial agreements between the RDA and a sponsoring entity
4. Salary and benefits obligations
5. Pass-through payments
6. Judgments and settlements
7. Disposition and Development Agreements (DDAs), Owner Participation Agreements (OPAs), Financial Assistance Agreements, and related obligations
8. Contracts or agreements necessary for the continued administration or operation of the agency
9. Other/miscellaneous

All ROPS submitted by Successor Agencies should:

1. Identify an obligation with a unique reference number (for each obligation, provide a staff report)
2. Be sorted by project area
3. Be categorized by the nature of the obligation. Nine categories (outlined on page 40) should be consistently used and listed in order of priority
4. Include project or debt obligation name
5. Identify the payee
6. Identify the date in which the obligation was entered into
7. Provide a description of the obligation. If spacing is inadequate, a reference to an attachment should be made. However, information pertaining to the attachment needs to reference the category number, page number and item number.
8. A reference code for the funding source:
    a) Redevelopment Property Tax Trust Fund (RPTTF)
    b) Bond proceeds (Bonds)
    c) Low and Moderate Income Housing Fund (LMIHF)
    d) Successor Agency Administrative Cost Allowance (Admin)
    e) Reserves balances, rents, parking revenues, participation income on projects, interest earnings, etc. (Other)
9. The total amount of outstanding debt or obligation
10. A monthly payment schedule for the 6-month period covered by the ROPS
11. A sum of all payments to be made during the period covered by the ROPS
12. References and notes

Documentation for each of the obligations listed in the ROPS should contain the following:

1. Bonds

This category includes the tax allocation bonds that RDAs issued to pay for land, building acquisition, and redevelopment in project areas. This category also includes pledges of tax increment dollars made by RDAs to finance other debt obligations, such as parking revenue bonds, notes, and other kinds of indebtedness. The Department of Finance recommends that Successor Agencies separate housing and non-housing bond payments on the ROPS.[43]

Documentation should include:

- A description of the authorization
- The date authorized
- The resolution adopted by the RDA
- The resolution of the City Council authorizing the Agency to issue such bonds
- The total amount of the original obligation
- The latest statement received from the trustee

2. Loans or Moneys Borrowed by the Agency other than Bonds

This category includes advances or loans that have an established repayment schedule. Examples include loans from the Low and Moderate Income Housing Fund and loans from other public agencies, such as the California Housing Agency or the U.S. Department of Housing and Urban Development Section 108 loans.[45]

Documentation should include:

- A description of the authorization
- The date authorized
- The resolution adopted by the Agency and the resolution of the City Council authorizing the Agency to incur the indebtedness
- The total amount of the original obligation

3. Cooperation and Financial Agreements Between the RDA and a Sponsoring Entity

This category includes agreements, contracts, or arrangements that RDAs entered into with their sponsoring city, county, or another local agency. In some cases the agreements were made with local entities that were controlled by the RDA's sponsoring city or county. These agreements allowed the sponsoring local entity to carry out the existing and future work of the RDA. Typically, these obligations are not enforceable; however, there is an exception. Loan agreements between an RDA and its sponsoring entity are valid if they were entered into within two years of the date of creation of the redevelopment agency. These agreements are also valid if they meet the following two conditions: (1) the agreement must have been entered into when the debt obligation was issued and (2) the agreement must be "for the sole purpose of securing, or repaying indebtedness obligations written prior to December 31, 2010."[45]

Documentation should include:

- A copy of the cooperation agreement
- Documentation of authorization or approval
- Date of RDA creation

4. Salary and Benefits Obligations

This category includes payments required "by the federal and state governments in connection with agency employees." It includes "payments such as salaries, pension payments, pension obligation debt service, and unemployment payments."[46] Additionally, it includes the existing terms of any Memorandums of Understanding (MOUs) between employee organizations and the former RDA. These MOUs, adopted pursuant to the Meyers-Milias-Brown Act, must have been in force on the effective date of ABx1 26 and shall continue in force until September 30, 2011 unless a new agreement is reached with a recognized employee organization prior to that date.

Documentation should include:

- A copy of the operational MOU
- Copies of amendments to the operational MOU
- A copy of the fringe benefits MOU
- Copies of amendments to the fringe benefits MOU

5. Pass-Through Payments

Pass-through payments may appear on the first ROPS (covering January 1, 2012 to June 30, 2012). Starting on the second ROPS (covering July 1, 2012 to December 31, 2012), the County Auditor-Controller will make the required pass-through payments prior to transferring money to the Successor Agency to pay enforceable obligations.[47] Therefore, starting with the second ROPS, pass-through payments do not need to be identified. Please consult with the Auditor-Controller regarding how to handle reviewing these obligations.

6. Judgments and Settlements

This category includes payments related to court or other binding decisions. These include settlements entered by a court of law or binding arbitration decisions against the former redevelopment agency. This category does not include pass-through payments. The Successor Agency and the Oversight Board have the “authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.”[48]

Documentation should include:

- Copy of the entered judgment or settlement

7. Disposition and Development Agreements (DDAs), Owner Participation Agreements (OPAs), Financial Assistance Agreements, and Related Obligations

This category includes agreements related to real estate transactions. They apply to specific developments within a project area and may pertain to land acquisition, the disposition of existing assets, public improvements, and advances made by the RDA to developers. These agreements are complex, with contract terms that are often amended and extended; therefore, the information indicated on the ROPS should be supplemented.

Documentation should include:

- A staff report summarizing the project that includes the financial obligation of the agency and the schedule of performance
- Documentation of authorization of approval of the OPA/DDA and amendments by the former RDA
- Signed certification from the developer that states that the agreement is in full force and effect and that all conditions precedent have been satisfied for payment of the obligation

8. Contracts or Agreements Necessary for the Continued Administration or Operation of the Agency

This category includes obligations that allow the Successor Agency to wind down the former RDAs business and carry out existing obligations. Obligations may include office space rent, equipment, supplies, insurance and services.[49]

Documentation should include:

- A staff report summarizing the need for services
- Evidence that goods and services have been provided
- A copy of the approved agreement or contracts and amendments

9. Other/Miscellaneous

This category includes any obligations or payments that are not included in the other nine categories. Documentation for these obligations should be determined on a case-by-case basis.

The County Auditor-Controller has analyzed the first ROPS and flagged those line items which may require additional documentation.

This analysis will be available to Oversight Board members. Oversight board members may wish to use the preliminary analysis as a tool in evaluating the first ROPS as well as the second ROPS (which covers obligations that are due between July 1, 2012 and December 31, 2012).

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EXPECTATIONS & RESOURCES

Expectations as an Appointee

ABx1 26 provides that the Oversight Board "may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities."[50] In addition, the legislation states that the Successor Agency shall pay for all costs associated with meetings of the Oversight Board. The Successor Agency may include such costs in its administrative budget.

Resources

As an Oversight Board member you may require access to a variety of resources. They include the following:

- Department of Finance website: http://www.dof.ca.gov/assembly_bills_26-27/view.php
- The Successor Agency can perform work that directly supports the fulfillment of the Oversight Board's duties.
- The County-Auditor Controller may be able to provide information related to the ROPS, assets held by the Successor Agency, and other financial matters.
- County Counsel will be available to assist with legal matters associated with the fulfillment of your duties.
- Staff Analyses conducted by the Successor Agency will give context for specific projects, assets, and obligations listed on the ROPS.
- The County of Los Angeles is developing a website for Oversight Board Members; a URL for the site is forthcoming
- The County of Los Angeles Chief Executive Office has created the following email account for Oversight Board member queries: oversightboard@ceo.lacounty.gov

END NOTES

END NOTES

1. A separate Successor Housing Agency manages the RDAs housing assets, including "property, rental property, rental payments, bond proceeds, lines of credit, certain loan repayments, and other small revenue sources." From: Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 15
2. Health & Safety Code §33131(a)
3. Community Redevelopment Association v. Matosantos: pg. 9
4. Beatty, D. et al. (2004). *Redevelopment in California*. Solano Press Books, Point Arena, CA: 209-10
5. Health & Safety Code §34169
6. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 8
7. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 8
8. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 8
9. Dardia, M. (1998). Subsidizing *Redevelopment in California*. Public Policy Institute of California, San Francisco, CA: pg. x
10. Dardia, M. (1998). Subsidizing *Redevelopment in California*. Public Policy Institute of California, San Francisco, CA: pg. x
11. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 8
12. Health & Safety Code §33607.7(a)
13. Health & Safety Code §33607.5
14. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 11
15. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 12
16. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 12
17. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 12
18. Health & Safety Code §34171(d)(1)(A)
19. Health & Safety Code §34171(d)(1)(B)
20. Health & Safety Code §34171(d)(1)(C)
21. Health & Safety Code §34171(d)(1)(D)
22. Health & Safety Code §34171(d)(1)(E)

END NOTES

23. Health & Safety Code §34171(d)(1)(F)
24. Health & Safety Code §34171(d)(1)(G)
25. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 13
26. Health & Safety Code §34171(b)
27. Health & Safety Code §34177
28. Health & Safety Code §34176
29. Health & Safety Code §34177(l)(2)(A)
30. Health & Safety Code §34177(l)(3)
31. Health & Safety Code §34181
32. Health & Safety Code §34182
33. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 17
34. Health & Safety Code §34169(g)
35. Health & Safety Code §34182(a)
36. Taylor, M. (2012). The 2012-13 Budget: Unwinding Redevelopment. Legislative Analyst's Office, Sacramento, CA: pg. 15
37. Health & Safety Code §34179(a)
38. Health & Safety Code §34179(e)
39. Health & Safety Code §34179(d)
40. Health & Safety Code §34179(e) and (f)
41. Health & Safety Code §34179(g) and (i)
42. Health & Safety Code §34179(i)
43. California Department of Finance (2012). Sample ROPS. “Instructions for Recognized Obligation Payment Schedule (ROPS).” Sacramento, CA. Retrieved from: <www.dof.ca.gov/assembly_bills_26-27/documents/Sample_ROPS.XLS>
44. California Department of Finance (2012). Sample ROPS. “Instructions for Recognized Obligation Payment Schedule (ROPS).” Sacramento, CA. Retrieved from: <www.dof.ca.gov/assembly_bills_26-27/documents/Sample_ROPS.XLS>
45. Health & Safety Code §34171(d)((1)G)(2)
46. California Department of Finance (2012). Sample ROPS. “Instructions for Recognized Obligation Payment Schedule (ROPS).” Sacramento, CA. Retrieved from: <www.dof.ca.gov/assembly_bills_26-27/documents/Sample_ROPS.XLS>

END NOTES

47. Health & Safety Code §34183(a)(1)
48. Health & Safety Code §34171(d)(1)(D)
49. Health & Safety Code §34167(d)(6)
50. Health & Safety Code §34179(c)

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE